GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3748
ANSWERED ON:24.03.2017
Irregularities by Insurance Companies
Kaswan Shri Rahul

Will the Minister of FINANCE be pleased to state:

(a) the number of private and foreign life insurance companies in the country at present and the number of companies approved during the last three years, State/ UT and company-wise;

(b) whether the Government has received complaints regarding irregularities by the private insurance companies during the last three years;

(c) if so, the details thereof, State/UT including Rajasthan and company-wise; and

(d) the action taken/being taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance

(a): As per Insurance Regulatory and Development Authority of India (IRDAI), twenty three private life insurance companies are registered with the IRDAI out of which twenty one life insurance companies are having joint venture partnership with the foreign entities. During the last three years, IRDAI has not granted certificate of registration to any life insurance company in India.

(b) & (c): IRDAI has not received any specific complaint on irregularities by Private Insurance Companies. However, IRDAI has received complaints/grievances from policyholders against the Private Insurance Companies. The details of the complaints received from policyholders are placed at Annexure-I.

(d): IRDAI has taken up all the complaints with the respective insurers for redressal. Details of penalties levied by IRDAI during the last three years in respect of violations by private insurance companies are placed at Annexure-II, III & IV respectively.

(a) to (d):

ANNEXURE I

S.No State/UT State/UT wise Policyholders' Complaints
Private Life Insurers Private Non-Life Insurers
2013-14 2014-15 2015-16 2013-14 2014-15 2015-16
1 Andaman & Nicobar Islands 765 225 243 85 94 66
2 Andhra Pradesh 9783 7851 2873 2821 2941 910
3 Arunachal Pradesh 1041 272 309 97 73 21
4 Assam 3103 1886 1329 353 251 184
5 Bihar 8004 5524 3730 720 757 622
6 Chandigarh 4033 2252 1322 166 112 112
7 Chattisgarh 2978 1830 1096 287 263 214
8 Dadra & Nagar Haveli 205 62 70 16 15 9
9 Daman & Diu 104 40 55 13 18 19
10 Delhi 25090 18434 13397 7801 6523 5826
11 Goa 802 593 390 150 126 91
12 Gujarat 16602 10298 7335 2580 2422 2130
13 Haryana 14529 10151 6287 3751 3663 3233
14 Himachal Pradesh 2360 1873 1070 161 172 129
15 Jammu & Kashmir 2294 1722 1024 116 211 218
16 Jharkhand 6763 4058 2709 417 411 332
17 Karnataka 9398 7679 5475 3638 4098 3665
18 Kerala 6561 3305 2263 634 775 868

19 Lakshadweep 11 3 6 8 3 1
20 Madhya Pradesh 11317 6140 4222 1123 943 891
21 Maharashtra 48547 42049 28927 8775 8351 6988
22 Manipur 339 146 172 21 10 11
23 Meghalaya 180 121 176 21 21 22
24 Mizoram 48 49 97 92 62 28
25 Nagaland 101 52 96 13 13 7
26 Orissa 4845 4243 2396 391 366 347
27 Pondicherry 482 239 177 52 51 63
28 Punjab 17499 10895 5978 877 769 794
29 Rajasthan 12128 8484 5789 1438 1585 1370
30 Sikkim 336 130 107 25 18 10
31 Tamil Nadu 9450 6747 5495 2520 3366 3392
32 Tripura 216 163 171 8 10 14
33 Uttar Pradesh 37376 21334 14467 4780 4425 3875
34 Uttarakhand 3211 2096 1532 275 284 324
35 West Bengal 28835 16947 13353 1452 1552 1439
36 Telangana 155 5813 74 3052
Grand Total 289336 198048 139951 45677 44828 41277

ANNEXURE II

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2013-14
Sl. Name of Insurance Amount of Date of receipt of Penalty Brief particulars of the violation committed Life/ General
No. Company Penalty (In Rs.)
1 Tata AIA Life 1 lakh March 07, 2014 Violation of AML Guidelines issued by IRDA Life
2 HDFC ERGO General 5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
3 Reliance General 5 lakh October 09,2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
4 ICICI Lombard General 5 lakh October 09,2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
5 L&T General `5 lakh October 09,2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
6 Bharti AXA General `5 lakh October 11,2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
7 SBI General `5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
8 IFFCO TOKIO General 5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
9 Cholamandalam MS General 5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
10 Future Generali India 5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
11 Royal Sundaram Alliance 5 lakh October 08, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General
12 TATA AIG General 5 lakh October 07, 2013 Non-fulfi llment of premium Quota under Motor Third Party (Declined pool) General

ANNEXURE III

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2014-15
S.no Name of the Entity Amount of Penalty Date of issuance of penalty order Brief particulars of the violation committed Life/ General/ Health
(in Rs.)
1 Shriram General Ins.Co.Ltd 500,000 7/11/2014 Violation of circular no.IRDA/F&A/Cir/DRSH/183/08/2011 dated 11-08-2011, cir.no.IRDA/F&A/064/Jan/05 dated 12-01-2015, cir.no.IRDA/Cir/F&A/073/Feb-05 dated 22-02-2015 and cir.no.IRDA/F&I/Cir/100/06/2010 dated 16-06-2010 General
2 ICICI Lombard General Ins.Co.Ltd 5,000,000 10/17/2014 Violaiton of F&U guidelines, Section 42(7) of Insurance Act,1938, Circular ref.no.IRDA/Cir/010/2003 dated 27/03/2003 General
3 Apollo Munich Health 2,000,000 3/19/2015 Violation of Section 42(D)(8), 40(1) & 64VB of Insurance Act, 1938 and circular ref.no.IRDA/Cir/010/2003 dated 27/03/2003. Health
4 Reliance Life Insurance Co Ltd 17,700,000 4/11/2014 Violation of provisions of Circular Ref. IRDA/Cir/004/2003 dated 14/02/2003, IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010, Clause C- 4 & 7 of IRDA guidelines on Group Insurance issued vide circular no.015/IRDA/Life/Circular/GI Guidelines/2005 dated 14-07-2005 and Section.42(7) of IA, 1938. Life
5 Shriram Life Insurance 500,000 7/11/2014 Violation of circular no.IRDA/F&A/Cir/DRSH /183/08/2011 dated 11-08-2011, cir.no.IRDA/F&A/064/Jan/05 dated 12-01-2015, cir.no.IRDA/Cir/F&A/073/Feb-05 dated 22-02-2015 and cir.no.IRDA/F&I/Cir/100/06/2010 dated 16-06-2010 Life
6 Sahara India Life Insurance 500,000 7/23/2014 Non fulfillment of obligations towards Social sector as specified in the IRDA (Obligations of insurers towards Rural or Social Sectors) Regulations, 2002. Life
7 Aegon Religare Life 4,000,000 9/17/2014 Violation of Section 42(7) of Insurance Act, 1938, ciruclar ref.no.IRDA/Cir/010/2003 dated 27-02-2003, clause 8.4 of Outsourcing Iguidelines dated 01-02-2011, clause of Corporate Agency guidelines dated 14-07-2005 and Regulation 19 of IRDA (Insurance Brokers) Regulations, 2002. Life

8 Aviva Life Insuance 500,000 11/3/2014 Violation of Regulation 3 of IRDA (Protection of Policyholders"Interests) Regulations, 2002 Life
9 Sahara India Life Insurance 2,500,000 11/3/2014 Non fulfillment of obligations towards Social sector as specified at provision 3(B)(1)(b)(i)(III) of the IRDA (Obligations of insurers towards Rural or Social Sectors) Regulations, 2002. Life
10 Birla Sun Life Insurance 1,500,000 12/1/2014 Violation of Regulation 4 of IRDA (Micro Insurance) Regulations, 2005 and Regulation 8 (2 & 3) of IRDA (Protection of Policyholders" Interests) Regulations, 2002 Life
11 Canara HSBC OBC Life 3,100,000 12/12/2014 For making payments to Insurance Agents in violation of clause 21 of the Corporate Agents guidelines circular ref.no.017/IRDA/Cir/CA guidelines/2005 dated 14-07-2005 read with Section.40A of Insurance Act,1938. Life
12 Max Life Insurance Co 5,500,000 12/18/2014 Violation of clause 9.6(ii) of Outsourcing guidelines circular dated 01-02-2011. Life

ANNEXURE IV

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2015-16
S.
No Name of the entity Amount of Penalty
(in Rs) Date of issuance of penalty order Brief particulars of the violation committed Life/ General
1 India First Life Insurance Co Ltd 6,500,000 5/27/2015 Violation of Section 40(1), 40(A) of Insurance Act, Corporate agents, F&U and group insurance guidelines and IRDA (Protection of Policyholders" Interests) Regulations, 2002. Life
2 Future Generali India Life Insurance Co Ltd 5,000,000 6/9/2015 Violation of provisions of IRDA (Registration of Insurance Companies) Regulation, 2000, Section 40(1) & 42(7) of Insurance Act,1938, IRDA (Sharing of Database) Regulations, 2010, corporate agents guidelines and IRDA (Protection of Policyholders" Interests) Regulations, 2002 Life
3 India First Life Insurance Co Ltd 500,000 7/3/2015 Violation of Section 40 (1) of the Insurance Act, 1938 and Clause 21 of the Circular No. 017/IRDA/Circular/CA guidelines/2005 dated 14th July 2005 issued under IRDA (Licensing of Corporate Agents) Regulations, 2002 Life
4 Tata AIA Life Insurance Co Ltd 1,000,000 7/3/2015 Violation of Clause 21 of the Circular No. 017/IRDA/Circular/CA guidelines/2005 dated 14th July 2005 issued under IRDA (Licensing of Corporate Agents)Regulations, 2002 Life
5 Reliance Life Insurance Co Ltd 8,500,000 8/6/2015 Violation of Outsourcing guidelines and Corporate Governance guidelines. Life
6 Reliance Life Insurance Co Ltd 500,000 9/10/2015 Violation of Reg.2(g)(i) of IRDA (Registration of Indian Insurance companies) Regulaiton, 2000 Life
7 ICICI Life Insurance Co Ltd 500,000 10/9/2015 Violation of Outsourcing guidelines. Life
8 IDBI Federal Life Insurance Co Ltd 1,600,000 11/4/2015 Violation of Group Insurance guidelines, F&U guidelines, Section 40A(1) & 40(1) of Insurance Act,1938 and IRDA (Licensing of Corporate Agents) Regulations, 2002 Life
9 Exide Life Insurance Co Ltd 1,100,000 3/21/2016 Violation of Section 45 of Insurance Act, Group Insurance Guidelines and IRDA (Licensing of Corporate Agents) Regulations, 2002 Life
10 Star Union Dia-ichi Life Insurance Co Ltd 100,000 3/22/2016 Violation of Group Insurance guidelines Life
11 Reliance General Insurance Co Ltd 500000 4/10/2015 Violaiton of IRDA (Health Insurance) Regulation, 2013 General
12 Chola MS General Insurance Co. Ltd 100,000 4/24/2015 Marketing of product named "Chola MS Corporate Travel Insurance" without approval of the Authority General
13 L&T General Insurance Co Ltd 5,000,000 7/30/2015 Violation of F&U guidelines, Distance Marketing guidelines, IRDA (Protections of Policyholders" Interests) Regulations,2002 and Section.40(1) and 42D(8) of Insurance Act,1938. General
14 Bajaj Allianz General Insurance Co Ltd 1,500,000 7/31/2015 Violation of Section 64VB,40(1) & 42d(8) of Insurance Act and commission circular dated 25/08/2008 General
15 ICICI Lombard General Insurance Co Ltd 1,000,000 9/3/2015 Violation of F&U guidelines and Section 64VB of Insurance Act, 1938. General
16 Reliance General Insurance Co Ltd 500,000 9/10/2015 Violation of provisions of Reg.2(g)(i) of IRDA (Registration of Insurance Companies) Regulation, 2000 General
17 Chola MS General Insurance Co. Ltd 2,500,000 12/16/2015 Violation of F&U guidelines, Section 64VB of Insurance Act,1938, IRDA (Sharing of Database) Regulations, 2010 and IRDA (Protection of Policyholders") Regulations, 2002. General
18 Iffco-Tokio General Insurance Co Ltd 1,000,000 1/7/2016 Violation of F&U guidelines and provisions of IRDA (Licensing of Corporate Agents) Regulations, 2002. General
19 Universal Sompo General Insurance Co Ltd 1,500,000 1/7/2016 Violation of F&U guidelines, additional payouts to licensed entities, guidelines on solicitation of business and IRDA (Sharing of Database) Regulations, 2010. General